

# Consolidated Financial Results for the First Quarter Ended June 30, 2021 [Japanese GAAP] (Unaudited)



August 12, 2021

Company name: HIRANO TECSEED Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6245  
 URL: <https://www.hirano-tec.co.jp/>  
 Representative: Kaoru Okada, President and Director  
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 Phone: +81-745-57-0681  
 Scheduled date of filing quarterly securities report: August 13, 2021  
 Scheduled date of commencing dividend payments: -  
 Supplemental Explanatory Materials for Quarterly Account Settlement: None  
 Explanatory Meeting for Quarterly Account Settlement to be held: None

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the First Quarter Ended June 30, 2021 (April 1, 2021 to June 30, 2021)

### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2021	8,847	—	1,219	—	1,274	—	892	—
Three months ended June 30, 2020	4,503	(4.9)	190	(49.5)	245	(40.5)	125	(57.1)

(Note) Comprehensive income: Three months ended June 30, 2021: ¥818 million (-%)  
 Three months ended June 30, 2020: ¥193 million (down 38.2%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2021	59.25	—
Three months ended June 30, 2020	8.34	—

(Note) The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the first quarter ended June 30, 2021. Accordingly, each figure for the first quarter ended June 30, 2021 reflects the adoption of the accounting standard, etc., and percentage changes from the previous corresponding period are not provided.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2021	47,296	32,459	68.6
As of March 31, 2021	42,699	31,054	72.7

(Reference) Equity: As of June 30, 2021: ¥32,459 million  
 As of March 31, 2021: ¥31,054 million

(Note) The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the first quarter ended June 30, 2021. Accordingly, each figure for the first quarter ended June 30, 2021 reflects the adoption of the accounting standard, etc.

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	Yen —	Yen 15.00	Yen —	Yen 22.00	Yen 37.00
Fiscal year ending March 31, 2022	—				
Fiscal year ending March 31, 2022 (Forecast)		20.00	—	20.00	40.00

(Note) Revisions of the most recently announced cash dividend forecast: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half (cumulative total)	18,000	—	1,600	—	1,700	—	1,100	—	73.07
Full year	32,000	—	3,100	—	3,200	—	2,050	—	136.17

(Note) Revisions of the most recently announced financial results forecast: None

(Note) The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. was adopted from the beginning of the fiscal year ending March 31, 2022. The figures above reflect the adoption of the accounting standard, etc., and percentage changes from the previous fiscal year and from the previous corresponding period are not provided.

### Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to the revisions of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Restatement: No

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

June 30, 2021: 15,394,379 shares

March 31, 2021: 15,394,379 shares

2) Total number of treasury stock at the end of the period:

June 30, 2021: 336,811 shares

March 31, 2021: 336,776 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 15,057,594 shares

Three months ended June 30, 2020: 15,049,778 shares

Performance forecasts and other forward-looking statements contained in this report are based on information available on the date of this report's release. Because of various factors in the future, however, actual results may differ from the forecasts.

\* This quarterly financial results report is outside the scope of quarterly review to be conducted by certified public accountants or an audit corporation.

## Consolidated Financial Statements

## (1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	10,967,359	12,889,132
Notes and accounts receivable - trade	7,364,763	—
Notes and accounts receivable - trade, and contract assets	—	17,346,395
Electronically recorded monetary claims - operating	582,102	1,006,536
Securities	4,699,983	3,799,994
Work in process	6,869,127	116,739
Raw materials and supplies	127,503	160,841
Other	1,631,752	1,548,182
Allowance for doubtful accounts	△56,396	△61,571
Total current assets	32,186,194	36,806,251
Non-current assets		
Property, plant and equipment	6,687,155	6,687,431
Intangible assets	373,220	392,519
Investments and other assets		
Investment securities	2,970,115	2,810,285
Other	482,323	600,065
Total investments and other assets	3,452,438	3,410,350
Total non-current assets	10,512,813	10,490,301
Total assets	42,699,008	47,296,553

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,730,838	3,447,402
Electronically recorded obligations - operating	2,866,562	4,504,113
Short-term borrowings	—	200,000
Current portion of long-term borrowings	451,480	424,580
Income taxes payable	58,848	872,799
Advances received	2,085,760	1,798,077
Provision for bonuses	232,100	71,790
Provision for product warranties	81,000	70,276
Other	2,130,721	2,511,164
Total current liabilities	10,637,310	13,900,204
Non-current liabilities		
Long-term borrowings	471,460	371,340
Provision for retirement benefits for directors (and other officers)	51,880	48,256
Retirement benefit liability	394,898	428,732
Asset retirement obligations	15,808	15,888
Other	73,563	72,812
Total non-current liabilities	1,007,610	937,029
Total liabilities	11,644,921	14,837,234
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,343,972	1,343,972
Retained earnings	27,431,870	28,910,388
Treasury shares	△392,077	△392,170
Total shareholders' equity	30,231,587	31,710,011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	903,807	828,732
Remeasurements of defined benefit plans	△81,307	△79,424
Total accumulated other comprehensive income	822,500	749,308
Total net assets	31,054,087	32,459,319
<b>Total liabilities and net assets</b>	<b>42,699,008</b>	<b>47,296,553</b>

(2) Consolidated statements of income and Comprehensive Income  
(Consolidated Statements of Income)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	4,503,338	8,847,655
Cost of sales	3,704,336	6,920,546
Gross profit	799,001	1,927,109
Selling, general and administrative expenses	608,906	708,006
Operating profit	190,095	1,219,102
Non-operating income		
Interest income	1,231	561
Dividend income	41,031	46,181
Other	20,195	14,848
Total non-operating income	62,458	61,591
Non-operating expenses		
Interest expenses	2,027	1,841
Sales discounts	340	—
Loss on retirement of non-current assets	4,629	1,705
Loss on sale of securities	—	2,384
Other	122	228
Total non-operating expenses	7,119	6,160
Ordinary profit	245,434	1,274,533
Extraordinary income		
Subsidy income	—	30,000
Total extraordinary income	—	30,000
Profit before income taxes	245,434	1,304,533
Income taxes - current	93,425	871,460
Income taxes - deferred	26,493	△459,108
Total income taxes	119,918	412,351
Profit	125,515	892,182
Profit attributable to owners of parent	125,515	892,182

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	125,515	892,182
Other comprehensive income		
Valuation difference on available-for-sale securities	59,656	△75,074
Remeasurements of defined benefit plans, net of tax	7,899	1,882
Total other comprehensive income	67,556	△73,191
Comprehensive income	193,072	818,990
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	193,072	818,990
Comprehensive income attributable to non-controlling interests	—	—

## Production, Orders Received, and Sales

### (1) Production

Production performance by segment for the first quarter ended June 30, 2021 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	4,471,303	—
Industrial machinery	2,249,691	—
Others	199,550	—
Total	6,920,546	—

- (Notes) 1. The above amount is calculated based on the amount of production and includes outsourcing production.
2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the first quarter ended June 30, 2021. Accordingly, percentage changes in the amount of production from the first quarter ended June 30, 2020, before the adoption of the accounting standard, etc. are not provided.

### (2) Orders Received

The status of orders received by segment for the first quarter ended June 30, 2021 is as follows

Name of segment	Orders received (Thousand yen)	Changes from the previous corresponding period (%)	Backlog of orders (Thousand yen)	Changes from the end of the previous fiscal year (%)
Coating and laminating machinery	13,821,690	—	30,049,277	—
Industrial machinery	2,213,427	(58.0)	11,089,949	—
Others	390,543	+16.2	580,070	—
Total	16,425,661	+149.2	41,719,297	—

- (Notes) 1. The above amount is calculated based on sales prices.
2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the first quarter ended June 30, 2021. Accordingly, percentage changes from the previous fiscal year’s backlog of orders before the adoption of the accounting standard, etc. are not provided. The cumulative effect of applying the accounting standard was added to or deducted from backlog of orders at the beginning of the first quarter ended June 30, 2021. As a result, the beginning balance of backlog of orders decreased by ¥8,270 million.
3. Percentage changes in the amount of orders received in the coating and laminating machinery segment from the previous corresponding period are not provided because they exceed 1,000%.



(3) Sales

Sales performance by segment for the first quarter ended June 30, 2021 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	5,427,034	—
Industrial machinery	3,132,557	—
Others	288,063	—
Total	8,847,655	—

(Notes) 1. The above amount is calculated based on sales prices.

2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the first quarter ended June 30, 2021. Accordingly, percentage changes in the amount of sales from the first quarter ended June 30, 2020, before the adoption of the accounting standard, etc. are not provided.